

GE Energy

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June 8, 2004

CEC IEPR
Committee
Workshop on
Renewable DG



General Electric Company



GE Advanced Materials



GE Commercial Finance



GE Commercial Finance



GE Consumer & Industrial



GE Energy



GE Transportation



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GE Infrastructure



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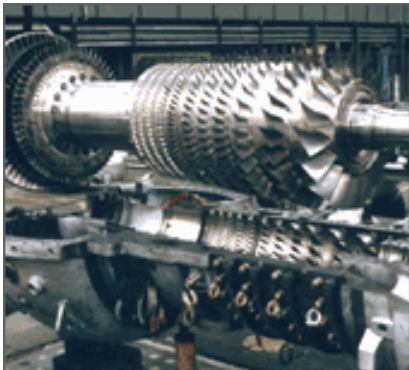


NBC

imagination at work



GE Energy



Experience, Technology, People

GE Energy provides reliable, efficient products and services for the energy industry.

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GE In The PV Marketplace

"We're in it to be successful, we're not in it for a science project. This is a serious endeavor. This technology is commercially viable."

Atlanta Business Chronicle, April 2, 2004

GE Energy CEO John Rice

GE is interested in a PV marketplace:

- That, in the long term, does not rely on subsidies
- Has minimal obstacles for those interested in PV
- With sufficient demand to bring down costs through "learning by doing"
- That is competitive, so that cost savings are appropriately passed on to consumers

1. How should state and local programs be coordinated in terms of incentives? How formal or informal should this coordination be?

We need an Incentive Program that is Simple, Long Term, Consistent & Reliable - Something all stakeholders can plan for. We'll need the necessary support & coordination for this kind of a program.

2a. In California, are we achieving program goals of bringing about cost reductions so that we are close to reaching the point in time where incentives are no longer necessary?

We are interested in a deeper understanding of this too, and will be examining the available CEC data in the coming weeks.

2b. What is the expected outlook in cost reductions for retail purchase of these DG systems?

We're not at liberty to discuss our specific cost reduction plans here in this public forum.

2c. What can be done to accelerate cost reducing DG Technology?

Coordinated Research Programs Like PIER help tremendously

If additional funding is necessary while costs are declining...How much?... How Long?... From Where?

We are in the process of developing our policy recommendations and will be able to share them in the coming weeks.

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2d. What is the strategy of the PV and Small Wind industry if incentives are phased out?

We expect incentives to be phased out.

GE is planning on success in markets free of incentives.

3. What should a new incentive program look like?

Performance Based, Up-Front Rebate, Streamlined Entitlement Process?

Others?

Bottom Line: A Simple, Long Term, Consistent & Reliable Program that drives demand & cost reduction.

Something all stakeholders can plan for.

4. Lessons from other Countries Success?

Bottom Line: Long Term, Consistent,
Reliable Programs – Something all
stakeholders can plan for

5. Should the State re-visit existing Support Policies For DG, Net-Metering, Etc...?

Yes.

All Policy should be supportive of any new incentive program(s) developed.

6. Should the State establish a program to get PV on new homes?

Yes. An incentive program.

6a. What should the near-term and long-term goals be for PV on new homes? Should the State establish numerical targets for these goals?

Targets and goals are fine.

To get there we need a Simple, Long Term, Consistent, Reliable Incentive Program – Something all stakeholders can plan for

6b. Should Mandates, incentives, other strategies be used?

We are opposed to Mandating PV on new homes.

All other opportunities should be explored.

6. Opportunities, Barriers to more PV in the new home market?

We need a Simple, Long Term,
Consistent, Reliable Incentive Program

Something all stakeholders can plan for

6d. Should we modify Building codes to require new buildings to be solar ready?

No. We believe it's additional time and money that will drive the cost of housing higher.

6d. Should PV on new homes be mandated?

No.

6d. What are the consequences of a mandate for PV on new homes?

Huge push-back from the builders

CA Housing costs are already too high

PV is a site specific technology

PV industry is not mature enough yet



6d. Under what circumstances should a PV system qualify for compliance credits?

All.

6d. What are the consequences of such a credit?

We see the benefits for these credits as an integral part of a Simple, Long Term, Consistent & Reliable Incentive Program

6e. What role can IOU's & Muni's play in delivering PV on new homes in their service areas?

As a Stakeholder and Beneficiary the Utilities need to be invested in the success of the program.

6f. What role can Builders play in delivering PV on new homes?

We have many excellent relationships with Builders and would be happy to help organize a Forum where we can more closely examine the builder role.

6g. Should the builder program be coordinated with existing (& new) incentive programs? If at all?

Yes. Where it makes sense.

Thank You

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Solar Technologies

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